Reduction in airfare

1236. SHRI AIMADUDDIN AHMED KHAN (DURRU):
SHRI GHULAM NABI AZAD:

Will the Minister of CIVIL AVIATION be pleased to state:-

(a) whether there is a proposal under Government's consideration to bring down the domestic as well as the international airfare;

(b) whether another proposal has been mooted to abolish the 15 per cent Inland Travel Tax for all domestic carrier;

(c) if so, the details in this regard; and

(d) by when these measures are likely to take concrete shape?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI SHRIPAD YESSO NAIK): (a) No, Sir. Government does not regulate the air fares on the domestic sector and airlines are free to determine the same in accordance with their commercial judgement and market forces. In so far as international fares are concerned, the policy of the Government is to go alongwith the fares decided by the International Air Transport Association (IATA) where all the airlines participate and pass unanimous resolution for increase in fares etc.

(b) No, Sir. At present, there is no proposal to abolish the "Inland Air Travel Tax".

(c) and (d) Do not arise.

Losses by AI and IA

1237. SHRI BHAGATRAM MANHAR:
SHRI RAJU PARMAR:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned "IA continues to be in the red" which appeared in The Hindustan Times, New Delhi on the 22nd November, 2002;

(b) if so, what are the details of losses being incurred by Indian Airlines and Air India during the last two years; and

(c) what are the reasons for losses by these airlines during the last two years and the steps being taken to make these airlines profitable?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI SHRIPAD YESSO NAIK): (a) Yes, Sir.

(b) Details of profits/(losses) earned/suffered by Indian Airlines and Air India are as under:—

Year	Indian Airlines	Air India (Rs. in crores)
2000-2001	(159.17)	(44.40)
2001-2002	(264.75)	15.44

(c) The reasons for losses by Indian Airlines are mainly due to increase in Aviation Turbine Fuel (ATF), increase in insurance premium, increase in landing and navigational charges, levy of customs duty on import of aircraft on lease, enhanced security expenditure etc.

Air India has earned profit during the year 2001-2002.

Some of the steps taken by both Airlines are as under:—

Indian Airlines:—(i) Comprehensive budgetary control system; (ii) Cost benefit analysis; (iii) Introduction of "Flexi Fare Policy"; (iv) Fare increase; (v) Better fleet & other resource utilisation; (vi) Improvement in quality of products/consumer services; (vii) Marketing initiatives; and (viii) Cost Control and Economic measures.

Air India:— (i) Additional A310 aircraft capacity is being inducted through dry-lease; (ii) The short haul flights to Gulf are being replaced by A-310 aircraft instead of 747s; (iii) Sectors are being combined to increase the load factor thereby reducing costs and increasing revenues; (iv) Older AB4 aircraft have been withdrawn and replaced by A310 aircraft; and (v) Three old 747-200 aircraft which consume a lot of fuel are being withdrawn from operations.

Revenue sharing between AI and IA

1238. SHRI NANA DESHMUKH: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that both Air India and Indian Airlines ply